

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

COMBINED BALANCE SHEET

December 31, 1983 and 1982

	<u>1983</u>	<u>1982</u>
<u>ASSETS</u>		
Current assets:		
Cash (including time deposits of:		
1983, \$6,475,001;		
1982, \$2,175,000)	\$ 6,736,584	\$ 3,119,662
Accounts and notes receivable:		
Trade, less allowance for doubtful		
accounts	390,211	445,211
Notes (Note 3)	367,073	
Employees	57,127	6,098
Interest receivable	51,719	2,904
Prepaid expenses	67,805	36,327
Total current assets	<u>7,670,519</u>	<u>3,610,202</u>
tes receivable (Note 3)	251,346	15,349
Investments, at cost	270,362	7,500
Property and equipment (Notes 1, 2,		
4, 5, 7 and 8)	33,486,785	25,413,004
Less accumulated depreciation		
and amortization	<u>(8,039,253)</u>	<u>(5,849,966)</u>
	<u>25,447,532</u>	<u>19,563,038</u>
Broadcasting licenses, less accumu-		
lated amortization:		
(1983, \$1,054,719;		
1982, \$777,646)	10,052,711	10,329,784
Deposits and other assets	311,692	20,000
	<u>\$44,004,162</u>	<u>\$33,545,873</u>

The accompanying notes are an integral
part of these combined financial statements.

<u>LIABILITIES AND FUND BALANCE</u>	<u>1983</u>	<u>1982</u>
Current liabilities:		
Current maturities of notes and contracts payable (Note 5)	\$ 1,122,007	\$ 540,799
Current maturities of first mortgage bonds payable (Note 7)	106,000	99,000
Accounts payable and accrued expenses	665,374	494,448
Accrued interest payable	<u>86,019</u>	<u>34,057</u>
Total current liabilities	<u>1,979,400</u>	<u>1,168,304</u>
Notes and contracts payable, less current maturities (Note 5)	3,996,770	5,612,574
Revocable trusts payable (Note 6)	607,535	566,080
First mortgage bonds payable, less current maturities (Note 7)	<u>1,121,504</u>	<u>1,248,299</u>
	<u>7,705,209</u>	<u>8,595,257</u>
Commitments and contingencies (Note 11)		
Fund balance:		
Restricted	1,625,614	1,074,991
Unrestricted	<u>34,673,339</u>	<u>23,875,625</u>
	<u>36,298,953</u>	<u>24,950,616</u>
	<u>\$44,004,162</u>	<u>\$33,545,873</u>

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TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

COMBINED STATEMENT OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN FUND BALANCE

Years Ended December 31, 1983 and 1982

	1983		
	Unrestricted	Restricted	To
Public support and revenue:			
Contributions	\$19,257,547	\$1,243,397	\$20,50
Donated assets (Note 8)	4,300,000		4,30
Telecasting and production	2,483,486		2,48
Interest income	501,081		50
Rental income	344,898		34
Miscellaneous income	385,632		38
Total public support and revenue	27,272,644	1,243,397	28,51
Expenses:			
Program services:			
Broadcasting and programming production	6,408,601	171,949	6,58
Supporting services:			
General and administrative	7,285,238	196,206	7,48
Fund raising	1,996,943		1,99
Interest expense	784,148		78
Total supporting services	10,066,329	196,206	10,26
Designated projects		324,619	32
Settlement expense (Note 10)			
Total expenses	16,474,930	692,774	17,16
Excess of public support and revenue over expenses	10,797,714	550,623	11,34
Fund balance, beginning of year	23,875,625	1,074,991	24,95
Fund balance, end of year	\$34,673,339	\$1,625,614	\$36,29

The accompanying notes are an integral part
of these combined financial statements.

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<u>otal</u>	<u>1982 Total</u>
00,944	\$16,712,663
00,000	
83,486	1,997,427
01,081	260,245
44,898	274,551
<u>85,632</u>	<u>306,963</u>
 16,041	 <u>19,551,849</u>
 80 550	 <u>5,413,476</u>
 44	5,755,103
96,943	1,243,120
84,148	<u>617,825</u>
 62,535	 <u>7,616,048</u>
24,619	292,039
	<u>448,471</u>
<u>67,704</u>	<u>13,770,034</u>
 48,337	5,781,815
50,616	<u>19,168,801</u>
<u>298,953</u>	<u>\$24,950,616</u>

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
Years Ended December 31, 1983 and 1982

	1983	
	<u>Unrestricted</u>	<u>Restricted</u>
Working capital provided from:		
Excess of public support and revenue over expenses	\$10,797,714	\$ 550,623
Add charges (deduct credit) not affecting working capital:		
Depreciation and amortization of property and equipment	2,250,788	
Amortization of broadcasting licenses	277,073	
(Gain) or loss from sale of property and equipment	<u>17,147</u>	
Working capital provided from operations	13,342,722	550,623
Proceeds from issuance of long-term debt	218,548	
Proceeds from sale of property and equipment	50,500	
Reduction of note receivable	364,003	
Decrease in deposits and other assets		
Increase in revocable trust payable	<u>41,455</u>	
Total working capital provided	<u>14,017,228</u>	<u>550,623</u>
Working capital used for:		
Issuance of notes receivable	600,000	
Acquisition of 25% of the capital stock of Family Broadcasting Company	250,000	
Acquisition of broadcasting license and equipment of WFTI-TV and property for TBNY station		
Acquisition of Trinity Towers		
Increase in donated assets	4,300,000	
Acquisition of other property and equipment	3,902,929	
Reduction of notes and contracts payable	1,834,352	
Reduction in revocable trusts payable		
Repayment of first mortgage bonds payable (including \$106,000 in current maturities as of December 31, 1983)	126,795	
Increase in deposits and other assets	291,692	
Increase in investments	<u>12,862</u>	
Total working capital used	<u>11,318,630</u>	
Increase in working capital	<u>\$ 2,698,598</u>	<u>\$ 550,623</u>

(Continued)

<u>Total</u>	1982 <u>Total</u>
\$11,348,337	\$ 5,781,815
2,250,788	1,767,943
277,073	249,390
<u>17,147</u>	<u>(24,926)</u>
13,893,345	7,774,222
218,548	2,759,843
50,500	128,286
364,003	44,576
	356,217
<u>41,455</u>	
<u>14,567,851</u>	<u>11,063,144</u>
600,000	
250,000	
	4,293,136
	2,000,000
4,300,000	
3,902,929	3,190,143
1,834,352	556,632
	91,892
126,795	108,646
291,692	
<u>12,862</u>	
<u>11,318,630</u>	<u>10,240,449</u>
<u>\$ 3,249,221</u>	<u>\$ 421,664</u>

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
(Continued)

Years Ended December 31, 1983 and 1982

	1983	
	<u>Unrestricted</u>	<u>Restricted</u>
Changes in working capital:		
Increase (decrease) in current assets:		
Cash	\$ 3,066,299	\$ 550,623
Current maturities of notes receivable	367,073	
Accounts receivable	44,844	
Prepaid expenses	31,478	
	<u>3,509,694</u>	<u>550,623</u>
Increase (decrease) in current liabilities:		
Current maturities of notes, contracts and bonds payable	588,208	
Accounts payable and accrued expenses	170,926	
Accrued interest payable	51,962	
	<u>811,096</u>	
Increase in working capital	<u>\$ 2,698,598</u>	<u>\$ 550,623</u>

The accompanying notes are an integral part
of these combined financial statements

<u>Total</u>	<u>1982 Total</u>
\$ 3,616,922	\$ 484,131
367,073	(100,000)
44,844	49,793
<u>31,478</u>	<u>(68,227)</u>
<u>4,060,317</u>	<u>365,697</u>
588,208	(347,942)
170,926	(51,763)
<u>51,962</u>	<u>(57,293)</u>
<u>811,096</u>	<u>(456,998)</u>
<u>\$ 3,249,221</u>	<u>\$ 822,695</u>

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS

1 - Summary of Significant
Accounting Policies

Organization and Basis of Combination

The combined financial statements include the accounts of Trinity Broadcasting Network, Inc. (TBN), its wholly-owned subsidiary, Trinity Broadcasting of Nevis, Inc. (TBN) and its affiliates: Trinity Broadcasting of Arizona, Inc. (TBA); Trinity Broadcasting of Denver, Inc. (TBD); Trinity Broadcasting of Florida, Inc. (TBF) and its subsidiary, Trinity Towers (TT); Trinity Broadcasting of Hawaii, Inc. (TBH); Trinity Broadcasting of Indiana, Inc. (TBI); Trinity Broadcasting of New York (TBNY); Trinity Broadcasting of Oklahoma City, Inc. (TBOC); Trinity Broadcasting of Seattle, Inc. (TBS); Trinity Broadcasting of Texas, Inc. (TBT), North County Christian Center, Inc. (NCCC); and Community Education TV (CET), dba Paradise Acres. The majority of the Board of Directors of each of the affiliated companies consists of individuals who are also members of the Board of Directors of TBN.

All material intercompany balances and transactions have been eliminated in the combined financial statements.

TBN and its subsidiary and affiliates have been organized for the purpose of engaging in religious broadcasting activities. TBN, TBA, TBF, TBI, TBNY and TBOC have broadcasting licenses for stations KTBN-TV (Channel 40), KPAZ-TV (Channel 21), WHFT-TV (Channel 45), WKOI (Channel 43), WFTI-TV (Channel 54) and KTBO (Channel 14), respectively, operating in the Southern California, Phoenix, Arizona, Miami, Florida, Richmond, Indiana, Poughkeepsie, New York and Oklahoma City, Oklahoma areas, respectively. TBN, TBA, TBD, TBF, TBI, TBNY, TBOC and TBS have received notices of exemption from Federal and State income taxes as nonprofit, charitable entities.

Public Support

Contributions are recognized when cash or other assets are received. Donated assets are generally reflected in the accompanying combined financial statements at their estimated fair market values at the date of receipt. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Although there is no legal requirement to do so, such restrictions are

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant
Accounting Policies (Continued)

viewed by management as moral commitments to expend such contributions as designated by the donors.

Accordingly, the accompanying combined financial statements report such accountability by the caption "restricted" in the combined statements of (1) support, revenue and expenses and changes in fund balance and (2) changes in financial position.

Production and Airtime Sales

Revenue from production sales is recognized when the production effort has been completed while revenue from airtime sales is recognized when the contracted program has been broadcast.

Property and Equipment

Property and equipment are carried at cost. Donated assets are generally reflected at their estimated fair market values at the dates of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

Broadcasting Licenses .

Broadcasting licenses are generally stated at cost and are being amortized on a straight-line basis over a period of forty years.

Investments

Donated investments are stated at estimated fair market values at the dates of donation, which approximates current market value.

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TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant
Accounting Policies (Continued)

Income Taxes

TT is the only entity subject to Federal and State income
taxation.

2 - Acquisitions

(1) WFTI-TV and Future Station Site by TBNY

Under an agreement dated December 16, 1981, TBNY acquired effective July 13, 1982 the broadcasting license and certain equipment of WFTI-TV and certain contract receivables of the previous owner of WFTI-TV (subsequently the name was changed to WTBY-TV).

The purchase price of the acquisition amounted to:

Cash	\$2,708,293
15-1/2% interest bearing note (Note 5)	<u>484,843</u>
	<u>\$3,193,136</u>

The purchase price was allocated as follows:

Equipment	\$ 744,158
Contract receivables assumed	<u>55,771</u>
Tangible assets assumed	799,929
Broadcasting license (the result of deducting total purchase price less net tangible assets)	<u>2,393,207</u>
Total purchase price allocation	<u>\$3,193,136</u>

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

2 - Acquisitions (Continued)

On September 30, 1982, TBNY acquired land and a building located in Fishkill, New York for the station site of TBNY for \$1,100,000.

(2) Trinity Towers

Under an agreement effective March 3, 1982, TBF acquired certain property in Pembroke Park, Florida for \$2,000,000 which consists principally of a mobile home park and adjacent parcels. Such property is held for the future expansion of TBF.

(3) Trinity Broadcasting of Seattle (TBS)

Under an agreement dated April 1, 1983, TBS acquired 25% of the capital stock of Family Broadcasting Company (FBC) for \$250,000 which has a construction permit to build a religious broadcasting station in Tacoma, Washington. In addition, TBS has the option to purchase the remaining outstanding capital stock for \$750,000 which option was exercised in July, 1984. However, the closing of the transaction is pending upon the approval of the Federal Communication Commission (FCC). As of the date of this report, the FCC has not made the final approval. The capital stock acquired consisted of 45,000 shares of common stock and 14,167 shares of preferred stock. As part of the purchase agreement, TBS also agreed to loan up to \$2,500,000 for the building and operating of the religious broadcasting station. In addition, TBS agreed to loan in excess of said \$2,500,000 as may be required for the operation of the broadcasting station after it commences broadcast operations. Such amount may not exceed \$600,000 per annum. As of December 31, 1983, TBS had advanced \$465,000 and \$1,380,000. Between December 31, 1983 and the date of this report, TBS had advanced additional funds approximating \$1,380,000. Such loan agreement is described in Note 3.

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

3 - Notes Receivable

Notes receivable consisted of the following:

	<u>December 31,</u>	
	<u>1983</u>	<u>1982</u>
Unsecured note (TBN) with effective interest rate of 20%, all due and payable in 1991.	\$ 18,419	\$ 15,349
Unsecured notes (TBN) with effective interest rate of 12%, all due and payable in 1988.	135,000	
Note receivable, interest at a rate of 12%, secured by assets and capital stock of Family Broadcasting Company (FBC), principal and interest payable in monthly installments of \$55,611 commencing thirty (30) days after FBC begins its broadcast operations, which date was March 30, 1984. At the beginning of the fourth year, the entire then-remaining balance is payable in equal monthly installments over a five-year period through 1992. As part of the agreement, TBS agreed to loan up to \$2,500,000 for the construction and operation of FBC as described in Note 2.	465,000	
	618,419	15,349
Less current maturities	367,073	
	<u>\$251,346</u>	<u>\$ 15,349</u>

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

4 - Property and Equipment

Property and equipment consist of the following:

	<u>1983</u>	<u>1982</u>	<u>Estimated Useful Lives</u>
Land	\$ 6,051,851	\$ 3,185,475	
Land improvements	523,155	170,849	45 years
Buildings and leasehold improvements	8,683,747	6,692,894	10 - 45 years
Electronic and technical equipment	17,237,258	14,134,049	3 - 8 years
Furniture and fixtures	607,346	497,867	10 years
Studio sets	266,423	127,970	8 years
Mobile homes	48,000	103,900	10 years
Construction in progress	69,005		
	<u>\$33,486,785</u>	<u>\$24,913,004</u>	

Depreciation and amortization charged to income was \$2,527,860 and \$1,767,943 for 1983 and 1982, respectively.

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TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

5 - Notes and Contracts Payable

Notes and contracts payable consist of the following:

	<u>1983</u>	<u>1982</u>
Noninterest bearing note issued in connection with the purchase of WHFT-TV by TBF:		
Face value	\$3,143,333	\$3,980,000
(Secured by first trust deed on the real property, payable in monthly installments of \$60,000, beginning August, 1981 for 24 months. Thereafter, the monthly installments are \$83,333, plus a lump sum payment of \$560,000, due and payable in November, 1986)		
Unamortized discount	<u>(469,695)</u>	<u>(747,044)</u>
Net loan balance	2,673,638	3,232,956

The discount is based on an imputed interest rate of 13% and amortized over the life of the note

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TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

5 - Notes and Contracts Payable (Continued)

	<u>1983</u>	<u>1982</u>
Three promissory notes payable issued in connection with the purchase of TT, interest only at the rate of 10%, payable quarterly for the first five years. During the following fifteen years, the notes are payable in aggregate monthly installments of \$8,333 plus interest at 2% below Chase Manhattan Bank's prime rate, not to exceed 14% and not less than 8%, due and payable in March, 2002. One promissory note (\$800,000) is secured by the first deed of trust on a mobile home park. The remaining notes, which consist of two individual notes of \$350,000 each, are secured by a second deed of trust on the mobile home park.	1,500,000	1,500,000
Note payable, interest at the rate of 4%, secured by common stock of IPTV, principal and interest payable in monthly installments of \$9,078 through August, 1983.		56,187
Contracts payable, interest at the rate of 19%, secured by equipment, principal and interest payable in monthly installments of \$6,863 through December, 1985. The balance of \$149,197 was paid in full during 1983.		149,197

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

5 - Notes and Contracts Payable (Continued)

	<u>1983</u>	<u>1982</u>
Note payable issued in connection with the purchase of WFTI-TV by TBNY, interest at the rate of 15-1/2%, secured by a letter of credit in the amount of \$500,000, studio equipment and furniture, principal and interest payable in monthly installments of \$12,331 through August, 1990. Note payable was extinguished in May, 1983 and the letter of credit expired July 31, 1983.		444,439
Notes payable issued in connection with the purchase of future station site of TBNY:		
- Note payable to a bank secured by a first deed of trust on land and building, interest at the rate of 2% above the bank's prime rate, not to exceed 18% and not less than 13%, principal and interest payable in monthly installments of \$6,830, due and payable on September 30, 1985.	420,285	445,594
- Note payable secured by a second deed of trust on land and building, interest at the rate of 14%. Prior to August 14, 1984, the note was paid in full.	325,000	325,000

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

5 - Notes and Contracts Payable (Continued)

Notes payable assumed in connection with the donation of loans and buildings to TBN consisted of the following:

	<u>1983</u>	<u>1982</u>
Note payable (NCCC), secured by trust deed on the real property, interest at the rate of 18%, principal and interest payable in monthly installments of \$3,000, all due and payable April 30, 1986.	\$ 131,344	\$
Note payable (NCCC), unsecured, interest at 13%, interest and principal payable in monthly installments of \$150, all due and payable January 1, 1988.	13,224	
Lifetime annuity due (NCCC), assumed in connection with the donation of land and buildings imputed interest at the rate of 9.5%, principal and interest payable in monthly installments of \$1,000.	<u>55,286</u>	
	5,118,777	6,153,373
Less current maturities	<u>1,122,007</u>	<u>540,799</u>
	<u>\$3,996,770</u>	<u>\$5,612,574</u>

6 - Revocable Trusts Payable .

TBN has received funds in accordance with revocable trust agreements which provide for the payment of interest at 7% per annum. The trust agreements may be terminated by a thirty-day advance written notice by the trustors. The trustee, TBN, is granted the right under the agreement to invest the trust funds and to receive any excess net income after payment of the 7% interest.

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

7 - First Mortgage Bonds Payable

The first mortgage bonds payable bear interest at 7% and are secured by a deed on certain land, machinery and equipment owned by TBA. The bonds are to be repaid from April 1, 1981 through October 1, 1992, with interest payable semi-annually from April 1, 1978. TBA is required under the trust indenture to make periodic payments to a sinking fund to cover principal and interest payments. The bonds are not redeemable at face value before maturity.

Based on information confirmed by the trustee, the maximum expected sinking fund requirement for 1983 approximates \$193,000. The annual maximum of such payment from 1984 to 1987, based on the balance outstanding as of December 31, 1983, is not expected to exceed the aforementioned amount. Approximate scheduled principal repayments, based on the balance outstanding as of December 31, 1983, for the next five years are as follows:

1984	\$106,000
1985	114,000
1986	122,000
1987	131,000
1988	140,000

8 - Donated Assets

On January 24, 1983, TBN received a contribution of certain land and buildings situated in San Marcos, California, which has been recorded in these financial statements in the name of the affiliates NCCC and CET. The donated assets were appraised by a Member of the Appraisal Institute (M.A.I.) which resulted in a value of the contributed land of \$2,900,000 and buildings of \$1,400,000 for a total donated asset value of \$4,300,000. The appraisal was performed as of November 16, 1984. In the opinion of TBN management, the donated asset value at that date does not vary materially from the date of donation.

9 - Unused Line of Credit

TBN had an unused line of credit available through December 31, 1983, in the amount of \$4,000,000, which was secured by the deed of trust on property located in Tustin, California. The credit line was not renewed after December 31, 1983.

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TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

10 - Settlement Expense

IPTV, a subsidiary of TBN, paid a settlement fee of approximately \$448,000 to a corporation who had filed with the Federal Communications Commission (FCC) against IPTV for the authority to operate Channel 40 in Santa Ana, California. The settlement fee paid gave IPTV the exclusive right to operate Channel 40.

11 - Commitments and Contingencies

TBN has long-term lease commitments with respect to (a) one parcel of land on which its transmitter tower is located; (b) the property on which TBNY station is located; (c) the use of satellite communications time; and (d) various equipment. These operating leases provide for approximate annual rental payments as follows:

1984	\$1,707,000
1985	1,754,000
1986	1,754,000
1987	1,754,000
1988	1,754,000
Thereafter	9,769,000

Rental expense for the year ended December 31, 1983 and 1982, amounted to approximately \$1,612,000 and \$1,382,000, respectively.

The Company is a party to certain litigation arising from the purchase of WFTI-TV located in New York, alleging compensatory and punitive damages of approximately \$400,000 and \$3,000,000, respectively. See Note 2 for the acquisition of WFTI-TV. In the opinion of the Company's management, such claim is groundless and without merit.

ACCOMPANYING INFORMATION

ACCOUNTANTS' REPORT ON INFORMATION
ACCOMPANYING THE BASIC FINANCIAL STATEMENTS

Our examination of the combined financial statements presented in the preceding section of this report was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information contained on pages 19 to 21 is presented for the purposes of additional analysis of the combined financial statements rather than to present the balance sheet and statement of support, revenue, expenses and changes in fund balance of the individual companies. The combining information has been subjected to the auditing procedures applied in the examination of the combined financial statements and in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Mauri Kuchman

Certified Public Accountants

Orange County, California
August 14, 1984

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

COMBINING BALANCE SHEET

December 31, 1983

	Trinity Broadcasting Network & Subsidiary	Trinity Broadcast- ing of Arizona, Inc.	Trinity Broadcast- ing of Denver, Inc.	Trinity Broadcasting of Florida Inc. & Subsidiary	Trinity Broadcast- ing of Hawaii, Inc.	Trinity Broadcast- ing of Indiana, Inc.	Trinity Broadcas- ing of York, Inc.
ASSETS							
Current assets:							
Cash and time deposits	\$ 2,523,290	\$1,062,665	\$ 616,423	\$ 270,810	\$	\$ 634,406	\$ 799,8
Accounts receivable:							
Trade, less allowance for							
doubtful accounts	128,243	69,938		86,401		37,895	
Notes							
Employees							
Interest receivable	13,753	1,792	2,460	411		1,755	57,1
Prepaid expenses	52,964		2,594	160			4,6
Total current assets	2,718,250	1,134,415	624,477	359,782	-0-	674,056	861,5
Notes receivable	153,419						
Intercompany accounts	14,361,369	4,063,520	91,069				
Investments	20,362						
Property and equipment, less							
accumulated depreciation	6,390,876	1,114,293	31,067	4,945,019		1,453,017	2,669,7
Broadcasting licenses, less							
accumulated amortization	542,413	1,172,265		6,636,803			2,301,7
Deposits and other assets	224,600			81,692			
Total assets	\$26,430,684	\$7,504,493	\$ 746,633	\$11,423,296	\$ -0-	\$2,127,073	\$5,852,0

(Continued)

by First- New Inc.	Trinity Broadcast- ing of Ok- lahoma, Inc.	Trinity Broadcasting of Seattle Inc.	Trinity Broadcast- ing of Texas, Inc.	Translator TV, Inc.	North County Christian Center	Community Education TV, Inc.	Total	Combining Adjustments	Combined
.80	\$ 412,358	\$ 405,578	\$		\$ 9,227	\$	\$ 6,736,564	\$	\$ 6,736,564
	65,734						390,211		390,211
.12		367,073					367,073		367,073
.618	2,250	24,680					57,127		57,127
	1,000	8,494	1,593				51,719		51,719
							67,805		67,805
.552	481,342	605,825	1,593	-0-	9,227	-0-	7,670,519		7,670,519
		97,927					251,346		251,346
	3,362						18,559,320	(18,559,320)	-0-
		250,000					270,362		270,362
.227	1,789,600	1,996		179,571	2,321,768	2,531,056	25,447,532		25,447,532
.230							10,052,711		10,052,711
					6,000		311,692		311,692
.009	\$2,274,304	\$1,155,750	\$ 1,593	\$ 179,571	\$2,327,715	\$2,531,056	\$42,563,482	(\$18,559,320)	\$44,004,162

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(27)

TRINITY BROADCASTING NETWORK, INC.
AND SUBSIDIARY AND AFFILIATES

COMBINING BALANCE SHEET
(Continued)

December 31, 1983

	Trinity Broadcasting Network & Subsidiary	Trinity broadcast- ing of Arizona, Inc.	Trinity Broadcast- ing of Denver, Inc.	Trinity Broadcasting of Florida Inc. & Subsidiary	Trinity Broadcast- ing of Hawaii, Inc.	Trinity Broadcast- ing of Indiana, Inc.	Trinity Broadcast- ing of New York, Inc.
LIABILITIES AND FUND BALANCE							
Current liabilities:							
Current maturities of notes and contracts payable	\$	\$	\$	\$ 750,497	\$	\$	\$ 352,323
Current maturities of first mort- gage bonds payable		106,000					
Accounts payable and accrued expenses	493,337	16,993	364	61,804		19,282	21,227
Accrued interest payable	34,006	21,461		25,530			
Total current liabilities	532,345	144,474	364	837,831		19,282	373,550
Long-term debt payable				7,654,891	14,827	1,447,061	6,345,366
Notes and contracts payable, less current maturities				3,423,142			392,962
Revocable trusts payable	607,535						
First mortgage bonds payable, less current maturities		1,121,504					
Fund balances (deficit):							
Restricted	1,000,000	394,276		127,971		32,967	375
Unrestricted	24,240,509	5,535,239	746,269	(620,539)	(14,827)	627,763	(1,260,744)
Total liabilities and fund balance	\$16,430,689	\$7,504,493	\$ 746,633	\$11,473,296	\$ -0-	\$2,127,073	\$5,852,009

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